

EXHIBIT L

Q4:2023 Other Than Temporary Impairment (OTTI)

OTTI securities of \$2.6B due to forced sale. OTTI charge of ~(\$176M) on \$2.6B FV of securities as of 12/31/22

Background

- Silvergate is required to sale securities in Q1 in order to reduce FHLB borrowings and Brokered Certificates of Deposits (BCDs)
- As a result, Silvergate is not expected to recover its unrealized loss over the remaining life of certain investments and therefore must evaluate an OTTI charge
- FHLB requiring the Bank to paydown advances \$2.425B (from \$4.3B at 12/31)
 - The FHLB is assumed to reduce Silvergate's borrowing limit to 25% of total assets.
 - Assuming projected total assets at the end of Q1 of \$7.5B, Silvergate max borrowing capacity at the FHLB will be \$1.875B.
 - FHLB requested borrowings be paid down to this level by 1/18/23, but a potential extension may be granted
- \$1.0B of BCDs maturities in Q1 2023 that won't be renewed
 - Silvergate has sources of cash on balance sheet, thru securities payments and thru assumed mortgage warehouse run-off to absorb some BCD maturity
- \$2.6B of liquidity needed from Bond sales and \$894M of liquidity will come from other sources.

		Q1 Activity
1	FHLB	(2,425,000,000)
2	BCD	(1,036,580,000)
3	Uses	(3,461,580,000)
4	Bonds	2,600,000,000
5	Portfolio P&I	133,014,661
	FRB/Fintech Buffer	
6	(excl. EUR Deposits)	580,244,615
7	Warehouse	181,000,000
8	Sources	3,494,259,276
9	Net Sources	32,679,276
10	Impairment	(176,531,674)

\$2.6B of sales balances uses of cash (wholesale borrowing paydown) with sources of cash in Q1:2023 while leaving a projected buffer of cash to fintech deposits in Q1:23 (timing will need to be managed)

Portfolio Considerations

- Assume need to maintain 10% of total assets in MBS. Assuming total assets are ~\$7.5B in Q1, MBS must exceed \$750M
- SBA yields are projected to increase ~125bps in Q1 to ~5.38% and have ~\$87M of Cashflow in Q1 on unsold bonds
- HECM yields projected to increase ~70bps in Q1 to ~5.11% and have ~\$36M of Cashflow in Q1 on unsold bonds
- Fixed MBS yields are 1.16% (negative carry)
- Treasury book yields are 1.37% (negative carry)
- \$87M of CRA bond remain in portfolio

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Bond Population

Proposed bond sales in Q1 '23

	Product Type	Book Value	Fair Value	OTTI Impairment	OTTI / Bk
1	Treasuries	549,895,698	516,379,050	(33,516,648)	-6.10%
2	Fixed MBS	622,697,506	536,430,055	(86,267,450)	-13.85%
3	HECM	1,305,190,907	1,250,000,000	(55,190,907)	-4.23%
4	SBA	301,556,669	300,000,000	(1,556,669)	-0.52%
5	Total	2,779,340,780	2,602,809,105	(176,531,674)	-6.35%

Strategy

- Sell all non-CRA fixed rate securities at a negative carry to reduce the future drag on earnings. Overall market impact is minimal due to size of sectors
- Sell HECMs and SBAs in an order fashion to maximize price execution. \$500M of SBA is projected market availability through 1/18/23
- Remaining portfolio would be \$2.9B of floating rate SBA and HECMs (based on 12/31/22 balances)
 - SBA - \$1.8B (100% floating rate, 100% prime based); estimated remaining average life assuming 12CPR of ~4yr.
 - HECM - \$971M (12% of \$8B of total assets) (100% floating rate, 46% LIBOR/SOFR and 54% 1yr CMT); estimate remaining average life assuming of ~4yr
 - CRA - \$87M of Agency MBS/CMBS and SBA (98% fixed)

Considerations

- Governance
- Documentation
- Administration of fair value markets to system of record for identified population
- 12/31/22 Fair Value

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Impact to capital (SGB)

Need to complete same analysis for hold co (SCC)

SGB Capital Ratios Estimates for 12/31/2022 Amounts in \$000s			
	12-31-22		
1 Common stock	1,341,215		
2 Retained earnings	-		
3 Current year earnings	159,410		
4 AOCI	-		
	(557,226)		
5 Common equity	(276,269)		
	667,130		
6 Less AOCI	276,269		12/31 with OTTI
7 Common equity Tier 1 capital	943,399	(176,532)	766,867
8 ALLL	3,176		
9 Total capital	946,575		
10 Total period end assets (US GAAP)	11,321,136		11,321,136
11 Average assets	15,063,085		15,063,085
12 Risk weighted assets	1,552,201		
13 Common equity Tier 1 risk based capital ratio	60.78%		
14 Tier 1 leverage capital ratio	6.26%		5.09%
15 Tier 1 leverage capital ratio using closing assets	8.33%		6.79%
16 TCE/Total Assets	5.89%		5.89%

- Projected capital level of 5.09% on Tier 1 Leverage leaves ~\$15M capital capacity before falling below 5.0% for Q4:2022 due to Q4 average assets ~\$3.8B higher than ending assets
- Q1:2023 launch point is projected to be ~6.79%; sensitivities to capital to 5% Tier 1 leverage as Q1 launch point:
 - Reduction of capital by ~\$200M
 - Increase in average assets by ~\$3.8B

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Portfolio Snapshot as of 12/31/22

	A	B	C	D	D = C-B	F = D-C	G = D-B	E = G/B				
				Estimated Sales	IDC Gain/Loss vs	Estimated Sales	Estimated Sales					
	Category	Par Value	Book Value	IDC FV 12/31/22	Proceeds	Book Value	Proceeds vs IDC	Value vs Book	IDC Value vs	Yield (as of	Projected Yield	
							FV	Value	Book Value	12/31/22)	in 3M	
											Duration	
1	Agy CMBS Fix	53,000,000	54,354,483	43,592,671	43,592,671	(10,761,812)	-	(10,761,812)	-19.80%	1.77%	1.77%	7.3
2	CMO Fix	292,314,145	129,590,801	112,866,747	112,866,747	(16,724,054)	-	(16,724,054)	-12.91%	1.16%	1.16%	3.6
3	CMO Var	960,726,453	1,022,061,103	969,257,562	969,257,562	(52,803,541)	-	(52,803,541)	-5.17%	3.91%	5.13%	0.9
4	FHLMC Fix	303,884,056	310,674,423	268,488,697	268,488,697	(42,185,726)	-	(42,185,726)	-13.58%	1.17%	1.17%	5.1
5	FNMA Fix	222,818,255	226,551,380	197,112,754	197,112,754	(29,438,626)	-	(29,438,626)	-12.99%	1.13%	1.13%	5.4
6	GNMA2 Var	1,117,951,084	1,199,590,842	1,155,635,831	1,155,635,831	(43,955,011)	-	(43,955,011)	-3.66%	4.37%	5.08%	1.5
7	SBA CRE	1,086,368,772	1,228,683,028	1,219,049,299	1,219,049,299	(9,633,729)	-	(9,633,729)	-0.78%	4.28%	5.53%	0.6
8	SBA EQU	1,027,680,396	1,159,798,423	1,156,738,721	1,156,738,721	(3,059,702)	-	(3,059,702)	-0.26%	3.97%	5.22%	0.4
9	Subtotal	5,064,743,160	5,331,304,483	5,122,742,282	5,122,742,282	(208,562,201)	-	(208,562,201)	-3.91%	3.75%	4.70%	1.4
10	Treas Note	550,000,000	549,895,698	516,379,050	516,379,050	(33,516,648)	-	(33,516,648)	-6.10%	1.37%	1.37%	2.1
11	Total	5,614,743,160	5,881,200,181	5,639,121,332	5,639,121,332	(242,078,849)	-	(242,078,849)	-4.12%	3.52%	4.39%	1.5